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(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To establish the Office of the Special Inspector General for Monitoring the  
Affordable Care Act, and for other purposes.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. ROSKAM introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_  
\_\_\_\_\_

**A BILL**

To establish the Office of the Special Inspector General  
for Monitoring the Affordable Care Act, and for other  
purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Special Inspector Gen-  
5       eral for Monitoring the ACA Act of 2015” or the “SIGMA  
6       Act of 2015”.

7       **SEC. 2. FINDINGS.**

8       The Congress finds the following:

1           (1) The writing, passage, and implementation  
2           of the Affordable Care Act has utterly lacked trans-  
3           parency.

4           (2) Presidential candidate Barack Obama re-  
5           peatedly promised that if elected President, he would  
6           hold open, public negotiations on health care reform  
7           among public and private stakeholders, including at  
8           a Democratic Presidential debate on January 31,  
9           2008, when he said, “That’s what I will do in bring-  
10          ing all parties together, not negotiating behind  
11          closed doors, but bringing all parties together, and  
12          broadcasting those negotiations on C-SPAN so that  
13          the American people can see what the choices are,  
14          because part of what we have to do is enlist the  
15          American people in this process.”.

16          (3) Then-Senator Obama repeated this promise  
17          multiple times, including at an Ohio town hall on  
18          March 1, 2008, when he said, “But here’s the thing:  
19          we’re gonna do all these negotiations on C-SPAN.  
20          So the American people will be able to watch these  
21          negotiations.”.

22          (4) Then-Senator Obama also repeated this  
23          promise at a Virginia town hall on August 21, 2008,  
24          when he said, “I’m going to have all the negotiations  
25          around a big table. We’ll have doctors and nurses

1       and hospital administrators. Insurance companies,  
2       drug companies—they’ll get a seat at the table...But  
3       what we will do is, we’ll have the negotiations tele-  
4       vised on C-SPAN, so that people can see who is  
5       making arguments on behalf of their constituents,  
6       and who are making arguments on behalf of the  
7       drug companies or the insurance companies. And so,  
8       that approach, I think is what is going to allow peo-  
9       ple to stay involved in this process.”.

10           (5) In a September 26, 2011, interview, Brian  
11       Lamb, the CEO of C-SPAN confirmed the negotia-  
12       tions of the health reform law had not been broad-  
13       cast publicly, noting, “The President said that they  
14       were all going to be on C-SPAN. He never asked  
15       us.”.

16           (6) President Obama, in leading the national  
17       health reform debate, broke his promise, admitting  
18       in a January 25, 2010, interview with ABC News  
19       that locking the public out of key health reform dis-  
20       cussions was a “mistake” and explaining, “We had  
21       to make so many decisions quickly in a very difficult  
22       set of circumstances that after awhile, we started  
23       worrying more about getting the policy right than  
24       getting the process right. But I had campaigned on  
25       process—part of what I had campaigned on was

1       changing how Washington works, opening up, trans-  
2       parency and I think it is—I think the health care  
3       debate as it unfolded legitimately raised concerns  
4       not just among my opponents, but also amongst  
5       supporters that we just don’t know what’s going on.  
6       And it’s an ugly process and it looks like there are  
7       a bunch of backroom deals.”.

8           (7) On March 9, 2010, then-Speaker of the  
9       House Nancy Pelosi said of what would become the  
10      Affordable Care Act, “We have to pass the bill so  
11      that you can find out what is in it.”.

12          (8) Dr. Jonathan Gruber, a professor of eco-  
13      nomics at the Massachusetts Institute of Tech-  
14      nology, was awarded a contract by the Department  
15      of Health and Human Services to provide “technical  
16      assistance in evaluating options for national  
17      healthcare reform” due to his “proprietary statis-  
18      tically sophisticated micro-simulation model” which  
19      could assess the impact of changes in Federal health  
20      care policies.

21          (9) Dr. Gruber described himself as a health re-  
22      form architect who contributed to the crafting of the  
23      Affordable Care Act in a 2012 opinion editorial, not-  
24      ing, “Several of the architects of Massachusetts re-  
25      form, including myself, worked closely with the Ad-

1       ministration and Congress to translate the lessons  
2       from Massachusetts onto the national stage.”.

3           (10) Dr. Gruber’s MIT biography has described  
4       him as “a key architect” of the Massachusetts  
5       health reform effort and a 2009 and 2010 “technical  
6       consultant” who “worked with both the Administra-  
7       tion and Congress to help craft the Patient Protec-  
8       tion and Affordable Care Act.”.

9           (11) An October 11, 2011, report by NBC  
10       News described White House visitor logs that show  
11       Dr. Gruber had at least five meetings at the White  
12       House in 2009 in the lead up to the passage of the  
13       Affordable Care Act, including a meeting in the Oval  
14       Office with President Obama to evaluate options for  
15       national health reform.

16          (12) In a video posted April 12, 2012, by the  
17       Obama presidential campaign to YouTube, Dr.  
18       Gruber states that he went “down to Washington to  
19       help President Obama develop his national version of  
20       that law.”.

21          (13) A March 28, 2012, article in The New  
22       York Times reports that “After Mr. Gruber helped  
23       the administration put together the basic principles  
24       of the proposal, the White House lent him to Capitol

1 Hill to help congressional staff members draft the  
2 specifics of the legislation.”.

3 (14) In a January 18, 2012, lecture on the  
4 structure of the Affordable Care Act, Dr. Gruber re-  
5 fers to the law’s small business tax credits as a por-  
6 tion of the bill that he “actually wrote.”.

7 (15) Dr. Gruber’s initial contract with the De-  
8 partment of Health and Human Services (HHS)  
9 was for \$297,000, and later a Federal grant of  
10 \$95,000 brought his total Federal compensation for  
11 work on the Affordable Care Act to at least  
12 \$392,000.

13 (16) In 2009, the White House annual report  
14 to Congress on presidential staff salaries lists that  
15 twenty-two White House staffers made the highest  
16 presidential staff salary rate of \$172,200, including  
17 the White House Chief of Staff, senior advisers,  
18 White House Counsel, and National Security Ad-  
19 viser.

20 (17) In 2010, the White House annual report  
21 to Congress on Presidential staff salaries lists that  
22 twenty-three White House staffers made the highest  
23 Presidential staff salary rate of \$172,200, again in-  
24 cluding the President’s top management, policy,  
25 communications, and security advisers.

1           (18) In 2009 and 2010, each of President  
2           Obama's most senior White House staff received less  
3           compensation than Dr. Gruber.

4           (19) In a November 5, 2012, speech at the Uni-  
5           versity of Rhode Island, Dr. Gruber described the  
6           mechanism of the Affordable Care Act, stating, "It's  
7           a very clever, you know, basic exploitation of the  
8           lack of economic understanding of the American  
9           voter."

10          (20) At an October 17, 2013, panel at the Uni-  
11          versity of Pennsylvania, Dr. Gruber described the  
12          Affordable Care Act, stating, "This bill was written  
13          in a tortured way to make sure CBO did not score  
14          the mandate as taxes. If CBO scored the mandate  
15          as taxes, the bill dies. Okay, so it's written to do  
16          that."

17          (21) In the same speech, Dr. Gruber stated  
18          that, "if you had a law which said that healthy peo-  
19          ple are going to pay in you made explicit healthy  
20          people pay in and sick people get money, it would  
21          not have passed."

22          (22) Dr. Gruber went on to claim, "Lack of  
23          transparency is a huge political advantage. And basi-  
24          cally, call it the stupidity of the American voter or

1       whatever, but basically that was really, really critical  
2       for the thing to pass.”.

3           (23) Since the passage of the Affordable Care  
4       Act, President Obama called for a new, more trans-  
5       parent approach to the health reform law moving  
6       forward, saying in a January 25, 2010, ABC News  
7       interview, “The process didn’t run the way I ideally  
8       would like it to and that we have to move forward  
9       in a way that recaptures that sense of opening  
10      things up more.”.

11          (24) The Obama Administration’s implementa-  
12      tion of the Affordable Care Act has been marked by  
13      Executive overreach.

14          (25) On at least 28 occasions, President Obama  
15      and his administration have unilaterally delayed, ex-  
16      tended, or changed provisions of the Affordable Care  
17      Act, including in contravention of the law and the  
18      Constitution of the United States.

19          (26) Section 1513 of the Patient Protection and  
20      Affordable Care Act (26 U.S.C. 4980h note) re-  
21      quires applicable large employers with more than 50  
22      full-time employees to provide qualifying health in-  
23      surance to their employees or pay a fine, and the ef-  
24      fective date under such section specified the amend-



1       ments made by such section applied to months be-  
2       ginning after December 31, 2013.

3           (27) Contrary to the plain meaning of the stat-  
4       utory requirement, and acting without authority pro-  
5       vided by law, the Internal Revenue Service published  
6       in the Federal Register Notice 2013–45 to change  
7       the effective date of the employer mandate require-  
8       ment, stating, “Section 1513(d) of the Affordable  
9       Care Act provides that section 4980H applies to  
10      months after December 31, 2013; however Notice  
11      2013–45, issued on July 9, 2013, provides as transi-  
12      tion relief that no assessable payments under section  
13      4980H will apply for 2014.”.

14          (28) On July 12, 2013, the Director for the  
15      Center for Consumer Information and Insurance  
16      Oversight at the Centers for Medicare & Medicaid  
17      Services denied the request for exemption from cer-  
18      tain Affordable Care Act requirements made by rep-  
19      resentatives of the United States territories, writing  
20      to the Secretary of Commerce for the Common-  
21      wealth of the Northern Mariana Islands, “However  
22      meritorious your request might be, [the Department  
23      of Health and Human Services] is not authorized to  
24      choose which provisions [of the Affordable Care  
25      Act]. . . might apply to the territories.”.

1           (29) A year later, on July 16, 2014, the Admin-  
2           istrator of the Centers for Medicare & Medicaid  
3           Services notified representatives of the United States  
4           territories that they would in fact receive an exemp-  
5           tion from requirements under the Affordable Care  
6           Act, despite the previous explanation from CMS that  
7           CMS does not have the legal authority to provide  
8           such an exemption. As the CMS Administrator now  
9           rationalized, “Currently, the Department uses the  
10          existing Public Health Service Act (PHS Act) defini-  
11          tion of ‘State’ for new PHS Act requirements and  
12          funding opportunities included in title I of the Af-  
13          fordable Care Act. Under this definition, the new  
14          market reforms in the PHS Act apply to the terri-  
15          tories. We have been informed by representatives of  
16          the territories that this interpretation is under-  
17          mining the stability of the territories’ health insur-  
18          ance markets. After a careful review of this situation  
19          and the relevant statutory language, HHS has deter-  
20          mined that the new provisions of the PHS Act en-  
21          acted in title I are appropriately governed by the  
22          definition of ‘State’ set forth in that title, and there-  
23          fore that these new provisions do not apply to the  
24          territories.”.

1           (30) The Obama Administration has claimed  
2           that the Affordable Care Act will save money and  
3           improve the economy, with WhiteHouse.gov stating,  
4           “‘In keeping with the President’s pledge that reform  
5           must fix our health care system without adding to  
6           the deficit, the Affordable Care Act reduces the def-  
7           icit, saving over \$200 billion over 10 years and more  
8           than \$1 trillion in the second decade. The law re-  
9           duces health care costs. . .[and] is improving our  
10          economic competitiveness[.]”.

11          (31) \$70.2 billion of the White House’s esti-  
12          mated savings was to come from the Community  
13          Living Assistance Services and Supports (CLASS)  
14          Act provisions of the Affordable Care Act, a pro-  
15          gram that was deemed actuarially unsound and  
16          never implemented by the Obama Administration.

17          (32) An April 2010 report from the Office of  
18          the Actuary for the Centers for Medicare & Medicaid  
19          Services describes that additional savings under the  
20          Affordable Care Act were to be paid for with Medi-  
21          care Fee-for-Service and Medicare Advantage cuts  
22          and reductions in payments to hospitals, skilled  
23          nursing facilities, and home health centers. These  
24          cuts have been delayed and may never materialize.  
25          Even if implemented, the projected savings may

1        never accrue as the CMS Actuary’s report concludes  
2        that such cuts will cause about 15% of hospitals and  
3        post-acute care facilities like nursing homes to go  
4        out of business.

5            (33) \$52 billion in deficit reduction savings was  
6        projected to come from employer penalties paid to  
7        the Government for failure to comply with the em-  
8        ployer mandate requirement to provide employees  
9        health insurance, a requirement that the Obama Ad-  
10       ministration has repeatedly delayed and modified,  
11       causing penalties and associated savings to not ac-  
12       crue.

13           (34) Initial estimates of savings under the Af-  
14       fordable Care Act projected at least \$15.5 billion in  
15       savings over the next decade attributable to Medi-  
16       care cuts through the Independent Payment Advi-  
17       sory Board, which has not yet been appointed and  
18       through which no cuts or savings have been realized.

19           (35) On September 9, 2009, President Obama  
20       pledged to a joint session of Congress, “I will not  
21       sign a [health care reform] plan that adds one dime  
22       to our deficits—either now or in the future.”.

23           (36) The Congressional Budget Office esti-  
24       mated in February 2014 that health insurance sub-  
25       sidies under the Affordable Care Act would cost the

1 Federal Government \$47 billion in fiscal year 2015  
2 and \$1.197 trillion over fiscal years 2015–2024.

3 (37) The Committees on Finance and Health,  
4 Education, Labor, and Pensions of the Senate esti-  
5 mated in September 2014 that the Affordable Care  
6 Act will add at least \$340 billion to Federal budget  
7 deficits.

8 (38) Dr. Gruber stated, “The [Affordable Care  
9 Act] isn’t designed to save money.”.

10 (39) On at least 37 occasions, President Obama  
11 or a top official in the executive branch repeated the  
12 promise that “If you like the [health insurance] plan  
13 you have, you can keep it. If you like the doctor you  
14 have, you can keep your doctor.”.

15 (40) The Associated Press calculated at least  
16 4.7 million Americans had their health insurance  
17 cancelled for 2014 and later, when the President  
18 issued a last-minute fix to try to prevent these can-  
19 cellations as required by the Affordable Care Act,  
20 the changes came too late for approximately 2.4 mil-  
21 lion Americans to keep the plans they had and liked.

22 (41) The nonpartisan, fact-checking publication  
23 Politifact rated “If you like your health care plan,  
24 you can keep it.” as the Lie of the Year for 2013.

1           (42) Then-Presidential candidate Barack  
2       Obama repeatedly promised that, if elected Presi-  
3       dent, his national health care reforms would, “cut  
4       the cost of a typical family’s premium by up to  
5       \$2,500 a year.”.

6           (43) A November 2013 analysis by the Manhat-  
7       tan Institute calculates that the Affordable Care Act  
8       would increase individual marketplace health insur-  
9       ance premiums by 41 percent nationwide between  
10      2013 and 2014.

11          (44) A December 2013 study by Health Pocket,  
12      Inc., found that the average individual deductible for  
13      a Bronze plan was \$5,081 a year, a 42 percent in-  
14      crease from the average plan purchased by an indi-  
15      vidual in 2013.

16          (45) A February 2013 study by Health Pocket  
17      Inc., found that exchange plans under the Affordable  
18      Care Act averaged a 34 percent increase in drug-  
19      cost sharing compared to copayment and coinsur-  
20      ance rates in the pre-Affordable Care Act market.  
21      For the sickest patients needing specialty drugs, the  
22      study found copayments increased by 226 percent  
23      under a Bronze plan via the Affordable Care Act.

24          (46) A December 2013 study by McKinsey and  
25      Company found that insurers offered almost three

1 times as many narrow or ultranarrow network plans  
2 in 2014 compared to 2013. Fully 70 percent of Af-  
3 fordable Care Act plans analyzed had narrow or  
4 ultranarrow network coverage, meaning coverage for  
5 fewer doctors and hospitals than plans sold on the  
6 individual market before the law took effect.

7 (47) Details consumers require to make in-  
8 formed decisions about their health care plan cov-  
9 erage under the Affordable Care Act have been with-  
10 held or lacked transparency.

11 (48) On September 26, 2013, President Obama  
12 said, “It will say clearly what each plan covers, what  
13 each plan costs. The price will be right there. It will  
14 be fully transparent . . . And so if you’ve ever tried  
15 to buy insurance on your own, I promise you this is  
16 a lot easier. It’s like booking a hotel or a plane tick-  
17 et.”.

18 (49) HealthCare.gov was established as the  
19 website to implement the Federal exchange portion  
20 of the Act at a cost of as much as \$840 million, in-  
21 cluding more than \$150 million in cost overruns, ac-  
22 cording to the Government Accountability Office in  
23 March 2014.

24 (50) On October 1, 2013, HealthCare.gov  
25 launched without adequate security testing, leaving

1 the approximately 250,000 unique users it drew not  
2 only vulnerable to identity theft by hackers, but un-  
3 able to even use the site, as the website was demon-  
4 strably unable to handle even 1,100 simultaneous  
5 users.

6 (51) For the subsequent months after its  
7 launch, HealthCare.gov continued to be plagued by  
8 crippling malfunctions, and the dismal performance  
9 of the website led only to problems and frustration  
10 for millions of Americans.

11 (52) A June 2013 study by the Department of  
12 Health and Human Services' Office of Inspector  
13 General revealed that software designed by a prin-  
14 cipal HealthCare.gov vendor was highly insecure and  
15 put the information of more than 6 million Medicare  
16 beneficiaries at "greater risk from malware, inappro-  
17 priate access or theft".

18 (53) An April 2014 study by Avalere Health de-  
19 termined that 38 percent of health insurance plans  
20 offered on the exchanges under the Affordable Care  
21 Act had no information about drug coverage avail-  
22 able. Avalere also found that nearly 1 in 4 plans of-  
23 fered insufficient information on which doctors and  
24 hospitals are covered.



1           (54) In September 2014, the Administrator of  
2           the Centers for Medicare and Medicaid Services re-  
3           ported to Congress that 7.3 million Americans had  
4           enrolled in plans through exchanges under the Af-  
5           fordable Care Act, meeting enrollment targets esti-  
6           mated by the Congressional Budget Office and held  
7           as a goal by the Obama Administration.

8           (55) Four months later, HHS Secretary  
9           Burwell stated that this enrollment data was a “mis-  
10          take” that included some 400,000 dental insurance  
11          enrollments, the inclusion of which allowed the ad-  
12          ministration to claim for months that the Affordable  
13          Care Act was performing as anticipated which was  
14          not in fact a true or accurate representation of the  
15          data they had, but would not release to the public.

16          (56) Since implementation of the ACA began,  
17          the HHS Secretary has granted over \$1 billion in  
18          Federal taxpayer dollars to states to help build  
19          websites for their own state-based exchanges, yet de-  
20          velopment and usability issues on short timelines re-  
21          peatedly caused these same states to seek different  
22          options for the 2015 open enrollment period, includ-  
23          ing opting to revert to enrolling via the federal  
24          HealthCare.gov website.

1           (57) The Affordable Care Act provides opportu-  
2           nities for fraud within subsidy and tax credit  
3           issuance.

4           (58) A September 2013 report by the Treasury  
5           Inspector General for Tax Administration concluded  
6           that, “the IRS’s existing fraud detection system may  
7           not be capable of identifying ACA refund fraud or  
8           schemes prior to the issuance of tax return re-  
9           funds.”.

10          (59) A July 2014 undercover study by the Gov-  
11          ernment Accountability Office determined that ficti-  
12          tious applicants were able to obtain health insurance  
13          coverage and taxpayer-funded subsidies on the Fed-  
14          eral exchanges using falsified documents in 11 out  
15          of 12 cases.

16          (60) The Affordable Care Act has had a nega-  
17          tive impact on the American economy.

18          (61) A February 2014 calculation by the Con-  
19          gressional Budget Office found the Affordable Care  
20          Act will significantly harm the American economy,  
21          reducing the number of hours worked by millions of  
22          full-time employees worth of hours. The CBO study  
23          noted, “The reduction in CBO’s projections of hours  
24          worked represents a decline in the number of full-

1 time-equivalent workers of about 2 million in 2017,  
2 rising to about 2.5 million in 2024.”.

3 (62) History has shown the Special Inspector  
4 General model to be successful at saving taxpayer  
5 dollars and rooting out waste, fraud, and abuse in  
6 large Federal Government programs.

7 (63) Congress and the President have enacted  
8 legislation creating Special Inspectors General on  
9 three occasions, including to oversee Federal spend-  
10 ing and policy implementation for Afghanistan re-  
11 construction (SIGAR), Iraq reconstruction (SIGIR),  
12 and the Troubled Asset Relief Program (SIGTARP).

13 (64) SIGAR, SIGIR, and SIGTARP have suc-  
14 cessfully conducted audits and investigations saving  
15 the Federal Government billions in waste, fraud, and  
16 abuse, and have helped to identify and prosecute  
17 theft and corruption.

18 (65) As of an October 2014 report, SIGAR has  
19 produced 57 referrals for suspension and debarment  
20 of Federal contractors and employees and produced  
21 over \$500 million in direct taxpayer savings.

22 (66) According to its final report, SIGIR cost  
23 \$245 million to operate, but resulted in \$645 million  
24 in direct savings to the Federal Government, in ad-  
25 dition to producing \$192 million in seizures and

1 court-ordered penalties, as well as 90 criminal con-  
2 victions.

3 (67) As of an October 2014 report, SIGTARP  
4 has produced 146 convictions and \$7.38 billion in  
5 fines, penalties, and restitution to the Government  
6 and victims.

7 (68) On August 5, 2014, the Associated Press  
8 reported that 47 Federal inspectors general sent an  
9 unprecedented joint letter to Congress to decry,  
10 “Obama administration efforts to delay or stall their  
11 investigations,” citing three examples where Federal  
12 agencies have hindered substantive inspector general  
13 oversight work by refusing to provide information or  
14 documents they are entitled to under the law.

15 (69) The letter from more than half of the Fed-  
16 eral Government’s independent inspectors general  
17 correctly states, “Section 6(a)(1) of the IG Act re-  
18 flects the clear intent of Congress that an Inspector  
19 General is entitled to timely and unimpeded access  
20 to all records available to an agency that relate to  
21 that Inspector General’s oversight activities. The  
22 constricted interpretations of Section 6(a)(1) by  
23 these and other agencies conflict with the actual lan-  
24 guage and Congressional intent. The IG Act is clear:  
25 no law restricting access to records applies to In-

1       spectors General unless that law expressly so states,  
2       and that unrestricted access extends to all records  
3       available to the agency, regardless of location or  
4       form.”.

5           (70) Congress has a responsibility to exercise  
6       prudent stewardship of public dollars, to ensure that  
7       laws are well and faithfully executed by the executive  
8       branch, to provide for efficacious services for the  
9       American people, and to ensure that those who  
10      cheat, steal from, or defraud the Federal Govern-  
11      ment are held to account.

12 **SEC. 3. SPECIAL INSPECTOR GENERAL FOR MONITORING**  
13 **THE AFFORDABLE CARE ACT.**

14       (a) OFFICE OF SPECIAL INSPECTOR GENERAL.—  
15      There is hereby established the Office of the Special In-  
16      specter General for Monitoring the Affordable Care Act  
17      (in this section, referred to as the “Office”) to carry out  
18      the duties described under subsection (e).

19       (b) APPOINTMENT OF INSPECTOR GENERAL; RE-  
20      MOVAL.—

21           (1) APPOINTMENT.—The head of the Office is  
22      the Special Inspector General for Monitoring the Af-  
23      fordable Care Act (in this section referred to as the  
24      “Special Inspector General”), who shall be appointed